



OKOMU

Responsible tropical agriculture

**REPORT ON PROGRESS FOR
SMALLHOLDER INCLUSION IN
OKOMU FFB SUPPLY BASE**

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UPDATED REPORT

MAY 2026

A. OVERVIEW

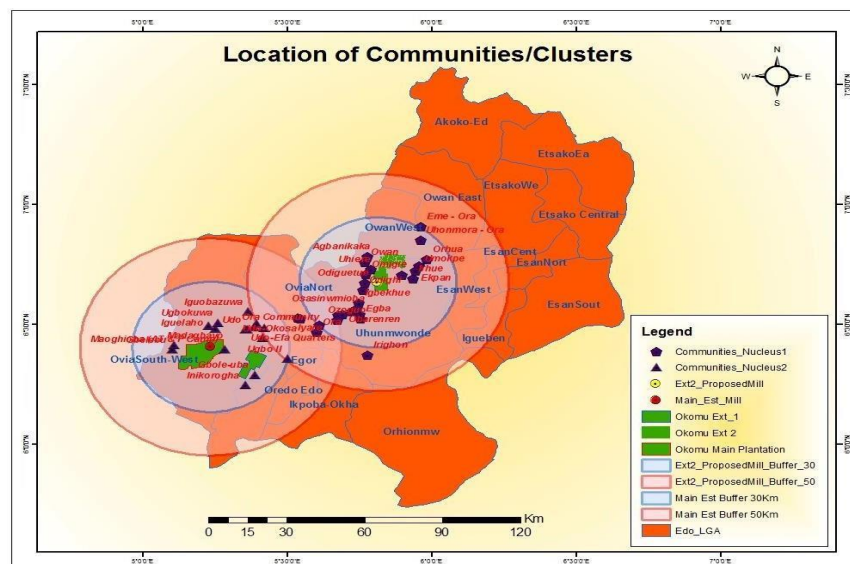
1. Okomu has a target to source 200,000T metric tonnes of FFB from smallholder farmers within the next 10 years starting from 2021. This plan will cover 5000 Farmers within 50km distance by road of either of Okomu's two (2) mills.

B. BACKGROUND

2. In 2017, Okomu Oil Palm Company PLC (Okomu) decided to include smallholders into its supply chain for the purpose of getting Oil palm farmers into the larger supply chain in Nigeria by providing a market for their produce and in doing so Okomu will be in a position to provide support to farmers especially areas where it has its CSR footprint as part of its CSR activities and also provide training on Best Management practices in Oil Palm(BMPs) which will include Good agricultural practices, records keeping, legality and sustainability with the ultimate aim to move the farmers into an applicable RSPO certification
3. Most of the farmers are fragmented and on their own, with unknown and poor planting materials, mostly of Dura material of doubtful origin, in addition to their inability to practice BMPs coupled with poor records keeping most of them are not part of the formal banking system. Moreover, they have no legal title to their lands and therefore could not use the land as collateral for raising funds for expansion etc
4. Okomu's initial interest was also to help in reducing the negative aspects of their farming activities especially in terms of agrochemical usage, which was indiscriminate and posed both personal and environmental problems.
5. Since 2017, Okomu in partnership with MADE & 2SCALE (social NGOs) has been developing an inclusive business model that seeks to off-take FFB from smallholder farmers within 50km by road of its palm oil mills (Now the distance has been extended to 100 km). Currently the company operates at its Main estate and Extension One in Ovia Southwest LGA, and Extension Two at Ovia Northeast and Uhunmwonde LGAs in Edo State, Nigeria.
6. Okomu has invested up to 60 million Euros into expansion of existing oil mill and building a of a new oil mill so the processing capacity has now been expanded from 200,000 tons FFB processing per annum to around 400,000 tons FFB processed per annum
7. These expansions will be able to cover the expected increase in FFB production thus guaranteeing markets for the smallholder farmers

8. In 2019 – A study of Farmer identification was undertaken by MADE for the purpose of knowing where farmers are located. The number of farmers identified by the study is summarized below:

- a. A total of 42 communities/clusters were covered in the study viz: 26 communities/clusters and 16 communities/clusters in Nucleus 1 (Okomu Extension 2) and Nucleus 2 (Okomu Main Estate + Extension 1) respectively. The communities covered, spanned the following LGAs within the study area: Ovia Southwest, Ovia Northeast, Uhumwonde, Owan West, Ikpoba-Okha, and Esan West LGAs. The primary data were collected from a total of 511 respondents in the study area. These respondents comprised 251 existing oil palm smallholders and 260 prospective (intending) oil palm smallholders. Out of the 251 existing oil palm smallholders, 164 (65.3%) were in Nucleus 1 whilst Nucleus 2 had 87 (34.7%) .Also, the 260 prospective oil palm smallholders were made up of 217 and 43 respondents in Nucleus 1 and Nucleus 2 respectively.
- b. According to the study, the clusters are characterized by small-sized farm holdings of less than one hectare per household. Men dominate farming while the women were more involved in marketing of oil palm products. A few oil palm plantations can be found in the communities while the wild grooves are scattered all over the study area.



9. So far, 14 cooperative farmers' organizations namely: Evbomigie Cooperative Society, Farmer Dewel Multipurpose Cooperative,

Ahuemwengbe Farmers Multipurpose Cooperative Society, Urhezen/Iguelahor Multipurpose Cooperative, Alaghadaro Multipurpose cooperative, Idunmwengie Multipurpose Cooperative ,Love and Unity Smallholder Multipurpose Cooperative Society, Agbado Multipurpose Cooperative Society, Madagbayo Mutipurpose Cooperative Society, Efionayi Multipurpose Cooperative Society, Iyera Farmers Multipurpose Cooperative Uhiere Multipurpose Cooperative Society, Osagioduwa Multipurpose Cooperative Society and Odiguettue Farmers Multipurpose Cooperative have signed agreements to work with Okomu on the smallholder programme.

C. STATUS

Below are the steps in the implementation plan to bring smallholders into the Okomu FFB supply base:

10. In September 2020, a design workshop on the smallholder project for Okomu was completed and the outcomes was to continue with extra work on mapping of farmers with a consultant for which the ToR was prepared and financed by 2SCALE
11. 2scale and Okomu along with other stakeholders validated the outcomes of the design workshop in the middle of October, 2020.
12. An SDM(Service Delivery Model) strategy was developed with technical assistance from IDH in 2021 The eventual strategy to be deployed was to rehabilitate, and expand existing farms especially the younger areas of mostly Tenera farms, while the older areas above 25 years of Dura farms will be replanted in the first instance. Areas with mixed crop of more than 50% Dura but less than 20 years was to be replanted in the next 5 years
13. The above strategy hinged on getting funding which has so far been difficult though TA commodities has been providing some funding but efforts are still ongoing
14. All the planting material are and will be from Okomu nurseries for quality assurance .
15. Existing and New areas for farmers identified within the 100km areas will be planted with improved planting materials supplied by Okomu and paid for by the farmers. In 2022 Okomu sold 113,000 seedlings while in 2023 we sold 93,000 . This has continued
16. Inputs such as tools, fertilizers were obtained, at the farmer's request, through Okomu for quality assurance and later service/input

providers have been brought in to take up that role.

17. An FFB purchasing agreement was completed and signed between Okomu, Terra Agric Commodities and individual farmers. Terra Agric is the aggregation and purchasing organization as well as providing trainings to farmers and providing support to farmers by engaging service providers like labour services to farmers, if required.
18. Farmer trainings like organisation of cooperatives and governance structure, group dynamics etc were undertaken initially was by 2SCALE while Okomu has been doing agronomic trainings including harvesting and fruit identification as well as best management practices (BMP)
19. 2scale provided the initial funding for data collection for an improved database for farmers to ensure the development of a digital dashboard
20. The Service Delivery Model study to identify the strategy for service delivery was developed with technical assistance of IDH (an NGO) which is also provided support to the smallholder with focus on environmental care. The background and results of the service delivery model can be found on the following link <https://www.idhsustainabletrade.com/publication/sdm-case-study-okomu-nigeria/>
21. Part of the strategy for farmer inclusion was to ensure compliance with RSPO Principles and Criteria/Smallholder standard, has been part of the training of the extension agents and farmers. Okomu and TA commodities have participated in the RSPO master trainer programme in 2023 in Ghana
22. A value chain study was commissioned by 2scale to among other things identify the pricing model for FFB purchased from smallholders in Q1 2020. Due to COVID-19 issues in 2020, the study was not completed on time. The draft result of the study was were only made available in May/June 2021.
23. A meeting, initiated and funded by 2scale, was held to validate the results of the value chain study with farmers and other stakeholders in August 2021
24. A final agreement on the pricing formula was agreed between the farmers and Okomu, based on the study, in 30th August 2021 at the Edo heritage Hotel, Benin City
25. FFB purchasing commenced in the absence of the pricing formula, due to pressures from smallholders during engagement programs, in April 2021 till the pricing formula was agreed in August 2021.

26. A supplementary livelihood project for beekeeping and small ruminants farming was started with support of IDH. another NGO funded by the Dutch Government/IFDC who are also in partnership with Okomu to implement the smallholder project. So far 200 beehives have been set up and 10 smallholder farmers have benefited from the small ruminants' project though that one has hit a few hitches involving survival of the animals

ONGOING ACTIONS

27. The implementation of the service delivery model has been slow due to extenuating circumstances especially funding for farmer plantings and maintenance of farms. In addition to funding issues the population of farmers numbers are yet to hit the target needed for effective service delivery. We intend to restart the full implementation in the coming years starting 2024 Q2 by doing a new study on that and coming up with a new strategy

28. Okomu undertook some 28km of road rehabilitation in the dry season of 2023 to aid the smallholder farmers.

29. When the new SDM strategy is fully in force, needs assessment will be carried out to understand the additional value support Okomu can offer to the smallholder to improve their livelihood.

30. Women have shown interest in the program and their needs will be better captured if the current product market avenue currently engaged is not appealing to them.

31. An umbrella organization has been formed called FRIENDS OF SMART PLANTATION GROWER INITIATIVE as the independent smallholder farmers organization in the compliance and certification for the smallholder farmers' process.

32. RSPO secretariate has been supporting this and has trained Okomu and TA commodities and implementation is ongoing on training of farmers e.t.c.

33. So far the number of farmers and FFB suppliers are the following. All showing increasing growth

34. A new study done by IDH called an Inclusive business analysis (IBA) was done to develop a strategy for the next 5 years starting 2025.

35. This is aimed at strengthening the services provided to farmers through service providers and inputs deliveries as well as improving the

sustainability compliances

36. CUMULATIVE NUMBERS OF FARMERS REGISTERED			
AREA	2025 Cumulative	2026 Cumulative	Variance (%)
OKO1	356	524	32%
OKO2	374	474	21%
TOTAL	730	998	27%

FARMERS SUPPLYING FFB FOR THE MONTH OF APRIL				
AREA	2025		2026	
	Month	Cumulative	Month	Cumulative
OKO 1	104	254	188	412
OKO 2	114	298	161	392
TOTAL	218	552	349	804

PROGRESS OF SMALLHOLDER FFB SUPPLY					
YEAR	2021	2022	2023	2024	2025
FFB TONS	206.00	1,806.27	7,195.25	20,449.00	31,181.00

Task	Name/signature	Job title
Prepared By	Billy Ghansah	Smallholder/Compliance Coordinator (Okomu Oil Palm Company PLC)